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June 20, 1996

DANNY E. ADAMS

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William F. Caton, Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

RECEIVED
JUN 20 1996
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

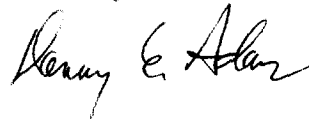
Re: CC Docket No. 96-98
Local Interconnection

Dear Mr. Caton:

On behalf of Cable & Wireless, Inc., please take notice that on June 14, 1996, Alan Stiffler and Rachel Rothstein of Cable & Wireless, Inc. and I met with Steve Weingarten and Les Setzer of the FCC. The discussion concerned CWI's comments in the above-referenced docket, as summarized in the attached materials.

In accordance with Section 1.1206 of the Commission's rules, an original and one copy of this notice and attachments are provided for inclusion in the public record.

Sincerely,



Danny E. Adams

Enclosure

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CABLE & WIRELESS, INC.

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CABLE & WIRELESS, INC.

June 14, 1996

- The FCC has the authority and the duty to establish national minimum standards.
- National standards for local resale should include:

- All services are available for resale.

- Services may not be withdrawn/grandfathered to avoid resale.

- New services should be available for resale simultaneously with implementation.

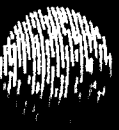
- "Costs avoided" should include specified LSOA accounts.

- Administrative costs cannot be added to wholesale prices.

- States should adopt rules promptly.



- Uncertainty of Unbundled Elements and Interconnection.
- Resale is critical to prevent discrimination and anticompetitive pricing
 - Resale and Shared Use Decision (1976)
 - CMRS Resale Decision (June 12, 1996)
- Policy is mostly theoretical at this time.
 - Once policy is implemented, ILECs and competitors will need to experiment and test new facilities.
- Ability/arming of states to set pricing.



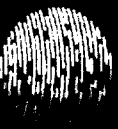
- Smaller CLECs may not be able to take advantage of unbundled elements for some time.
- Some carriers may remain limited to specific geographic regions -- making resale only option in low customer growth geographic areas.



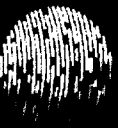
- Section 251 requires that all services provided at retail must be offered for resale at wholesale rates.

- At a minimum, the FCC should require the states to make the following services available for resale within three months from release of the FCC's decision:

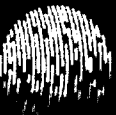
- Measured & flat rate residential and business service
- Measured and flat rate trunk services
- Centrex (and all feature packages) directory & operator services
- All other ancillary services
- All other features



- Prohibit ability of HFCs to use promotions to thwart entry by competitors.
- Helps to ensure against anti-competitive conduct in joint marketing local and long distance service.
- Helps prevent discriminatory and anticompetitive pricing.
- All "packages" of HFC products must be included for resale at bundled-package rate, minus avoided cost.

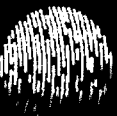


- FCC must prohibit ILIECs from withdrawing service solely to avoid resale
- States should undertake appropriate business analysis review
- Services grandfathered to ILIEC customers must be grandfathered to CLIEC resale customers



- Almost as important as services, ILECs must give access to systems to support resale, with consistent pricing.

- Access to customer information
- Ordering/provisioning
- On-line Billing/Customer Account Data
- On-line monitoring & troubleshooting



- States must enact wholesale prices for all ILEC services at avoided costs.
- States must vigorously pursue policies which prohibit the ILECs from enacting barriers to resale entry.
- States must entertain mediation requests from ILECs on resale issues.

